

CASTLE QUESTIONS ELIMINATION OF "UPTICK RULE" -- MARCH 28, 2008

Washington, DC -- Today, Congressman Michael N. Castle (R-DE) sent the following letter to Securities and Exchange Commission (SEC) Chairman Christopher Cox.

March 28, 2008

The Honorable Christopher Cox

Chairman

Securities and Exchange Commission

100 F Street, NW

Washington, DC 20549

Dear Chairman Cox:

On July 3, 2007, the Securities and Exchange Commission (SEC) removed its long-standing "uptick rule" [Rule 10a-1]. This Rule, which had been in place since 1938, was responsible for limiting "short selling" in our nation's securities markets. Since elimination of this Rule, we have witnessed a dramatic increase in short selling and substantial market volatility. I do not know if this volatility, in some measure, is attributable to the withdrawal of this Rule, but would like your perspective as soon as possible.

It has been a long standing goal of the SEC to maintain an orderly market process that offers reasonable risks and rewards for those willing to invest. Speculation is generally good and is an integral part of a vibrant market. However, today's market is vastly different than the market of 70 years ago and given that current market conditions are more volatile than those prevailing during the pilot program, it is important that we monitor closely any impact of unrestricted short selling.

Thank you, in advance, for your consideration, comments and reactions to this issue.

Sincerely,

Michael N. Castle

Member of Congress

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